

EXECUTIVE SECRETARIAT

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3	EXDIR				
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5	DDI		✓		
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14	D/Pers				
15	D/OEA				
16	C/PAD/OEA		✓		
17	SA/IA		✓		
18	AO/DCI				
19	C/IPD/OIS		✓		
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SUSPENSE _____ Date _____

Remarks:

State Dept. review completed.

3637 (10-81)

NSC review
completed.

Executive Secretary

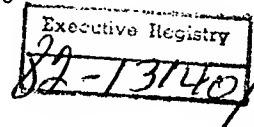
11/29/82

Date



S/S 8236580
United States Department of State

Washington, D.C. 20520



November 26, 1982


UNCLASSIFIED
(With SECRET Attachment)

Senior Interagency Group No. 29

TO :	OVP	- Mr. Donald P. Gregg
	NSC	- Mr. Michael O. Wheeler
	Agriculture	- Mr. Raymond Lett
	CIA	- Mr. Thomas B. Cormack
	Commerce	- Mrs. Helen Robbins
	Defense	- COL John Stanford
	EXIM Bank	- Mr. William H. Draper, III
	Federal Reserve	- Mr. Charles Siegman
	OMB	- Mr. Alton Keel
	Treasury	- Mr. David Pickford
	USTR	- Mr. Dennis Whitfield

SUBJECT: SIG Meeting Summary of Conclusions

Attached is the Summary of Conclusions for the SIG Meeting on Yugoslavia held on November 23, 1982.


L. Paul Bremer, III
Executive Secretary

Attachments:

State Dept. review completed.

1. Summary of Conclusions
2. List of Participants

UNCLASSIFIED
(With SECRET Attachment)

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United States Department of State

Washington, D.C. 20520

November 26, 1982

SECRET

Senior Interagency Group No. 29

PARTICIPANTS: See List Attached

DATE AND TIME: November 23, 1982, 3:00 p.m.

PLACE: Deputy Secretary's Conference Room 7219, State Department

SUBJECT: SIG Meeting on Yugoslavia, November 23

SUMMARY OF CONCLUSIONS

The SIG convened to discuss the draft IG memorandum and NSDD on Yugoslavia. Three points emerged from the discussion.

On the issue of technology transfer, a difference of view exists between State and Defense on the likelihood of compromise of high technology sold to Yugoslavia. Chairman Eagleburger asked the two agencies to produce alternate language for decision in an NSC meeting.

On the issue of short term credit measures versus long term bilateral policy toward Yugoslavia, it was Treasury's view that the immediate credit crisis faced by Yugoslavia should be dealt with in the SIG-IEP in parallel with similar credit issues involving other countries. Treasury therefore objected to the appearance in the NSDD of detailed financial prescriptions for the Yugoslav problem. State and NSC took the view that an overall study and NSDD had been mandated in NSDD 54 and were due the White House. Yugoslavia's condition increased the urgency of this task. After an animated discussion, it was decided to remove the details of the short-term financial prescriptions from the draft NSDD and redirect this issue to the SIG-IEP for consideration in a meeting to be held Monday, November 29. The draft NSDD would be revised to focus on the larger policy questions, including the need for a major financial effort to help Yugoslavia, and would be circulated to the SIG membership for approval as soon as possible.

On the issue of CCC credits for Yugoslavia, Agriculture took the position that the CCC program was being improperly used in the NSDD as the centerpiece of a financial relief program. The CCC

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mandate allowed it to lend to expand markets or reduce risk, but not for general foreign policy aims. In rebuttal, the NSC noted that CCC credits had been approved in 1981 for another East European country on political grounds and that the President had the option of so deciding. The SIG had a duty to set forth the options available to the President. State and Agriculture agreed to develop language to address this issue.

Chairman Eagleburger closed the meeting with the hope that the credit-related work in the present texts would be useful in the SIG-IEP meeting November 29. He also stressed the urgency of getting on with a U.S. financial package and consultations with key allies.

ACTION ASSIGNMENTS

1. State and Defense are to insert alternative language on the subject of technology transfer.
2. State will remove the details of the short term credit package from the NSDD and study package and rework the package along larger policy lines.
3. State and Agriculture will develop language on the role of CCC in U.S.-Yugoslavia relations.
4. Treasury and State will move ahead on the financial package as a matter of urgency, including early consultations with key allies.

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SIG Meeting on Yugoslavia

November 23, 1982, 3:00 p.m.

Deputy Secretary's Conference Room 7219, State Department

PARTICIPANTS

State

Under Secretary Eagleburger,
Chairman
Mr. David Anderson, Ambassador
to Belgrade
Mr. Richard McCormack, EB
Amb. Charles Meissner, P
Mr. James Roche, S/P
Mr. Mark Palmer, EUR
Mr. Tain Tompkins, S/S-S
(Notetaker)

OVP

Mr. Philip Hughes

NSC

Mr. Richard Pipes
Ms. Paula Dobriansky
Mr. Roger Robinson

Agriculture

Mr. James Ross
Mr. Alan Tracy

CIA



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Commerce

Mr. Frank Vargo

Defense

BG John Lasater
COL Morris Warner

EXIM Bank

Mr. Raymond Albright

Federal Reserve Board

Mr. Charles Siegman
Mr. Keith Savard

JCS

COMO Jack Darby
LTC Doug Englund

OMB

Mr. Philip DuSault

Treasury

Mr. Beryl Sprinkel
Mr. Stephen Canner

USIA

Mr. Leonard Baldyga

USTR

Mr. John Ray